

ASSEMBLY BILL

No. 2518

Introduced by Assembly Member Torrico

February 21, 2008

An act to add and repeal Article 15 (commencing with Section 18861) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2518, as introduced, Torrico. Taxpayer contributions: Northern California Cancer Research Fund.

Existing law, relating to the administration of personal income taxes, authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would allow taxpayers to designate on their tax returns, that a specified amount in excess of their tax liability be transferred to the Northern California Cancer Research Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from the return.

This bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and the State Department of Public Health for allocation to the Northern California Cancer Center for the purposes of conducting cancer research, as provided.

This bill would provide that these voluntary contribution provisions are repealed on either January of the fifth taxable year following the taxable year the fund first appears on the personal income tax return or

on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 15 (commencing with Section 18861) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 15. Northern California Cancer Research Fund

18861. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Northern California Cancer Research Fund, pursuant to Section 18862.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's liability, the return shall be treated as though no designation has been made.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the forms of the return to include a space labeled the "Northern California Cancer Research Fund" to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to conduct research relating to the detection, treatment, and prevention of cancer.

1 (f) Notwithstanding any other provision of law, a voluntary
2 contribution designation for the Northern California Cancer
3 Research Fund may not be added to the tax return until another
4 voluntary contribution is removed.

5 (g) A deduction shall be allowed under Article 6 (commencing
6 with Section 17201) of Chapter 3 of Part 10 for any contribution
7 made pursuant to subdivision (a).

8 18862. There is hereby created in the State Treasury the
9 Northern California Cancer Research Fund to receive contributions
10 made pursuant to Section 18861. The Franchise Tax Board shall
11 notify the Controller of both the amount of money paid by
12 taxpayers in excess of their tax liability and the amount of refund
13 money which taxpayers have designated pursuant to Section 18861
14 to be transferred to the Northern California Cancer Research Fund.
15 The Controller shall transfer from the Personal Income Tax Fund
16 to the Northern California Cancer Research Fund an amount not
17 in excess of the sum of the amounts designated by individuals
18 pursuant to Section 18861 for payment into that fund.

19 18863. All money transferred to the Northern California Cancer
20 Research Fund, upon appropriation by the Legislature, shall be
21 allocated as follows:

22 (a) To the Franchise Tax Board and the Controller for
23 reimbursement of all costs incurred by the Franchise Tax Board
24 and the Controller in connection with their duties under this article.

25 (b) (1) To the State Department of Public Health for allocation
26 to the Northern California Cancer Center, an existing California
27 nonprofit public benefit corporation that is tax exempt under
28 Section 501(c)(3) of the Internal Revenue Code.

29 (2) The funding shall be used by the Northern California Cancer
30 Center for the purposes of conducting research on cancer detection,
31 treatment, and prevention.

32 18864. (a) Except as otherwise provided in subdivision (b),
33 this article shall remain in effect only until January 1 of the fifth
34 taxable year following the first appearance of the Northern
35 California Cancer Research Fund on the personal income tax return,
36 and as of that date is repealed, unless a later enacted statute, that
37 is enacted before the applicable date, deletes or extends that date.

38 (b) (1) By September 1 of each subsequent calendar year that
39 the Northern California Cancer Research Fund appears on the tax
40 return, the Franchise Tax Board shall do all of the following:

1 (A) Determine the minimum contribution amount required to
2 be received during the next calendar year for the fund to appear
3 on the tax return for the taxable year that includes that next calendar
4 year.

5 (B) Provide written notification to the State Department of
6 Public Health of the amount determined in subparagraph (A).

7 (C) Determine whether the amount of contributions estimated
8 to be received during the calendar year will equal or exceed the
9 minimum contribution amount determined by the Franchise Tax
10 Board for the calendar year pursuant to subparagraph (A). The
11 Franchise Tax Board shall estimate the amount of contributions
12 to be received by using the actual amounts received and an estimate
13 of the contributions that will be received by the end of that calendar
14 year.

15 (2) If the Franchise Tax Board determines that the amount of
16 the contributions estimated to be received during a calendar year
17 will not at least equal the minimum contribution amount for the
18 calendar year, this article is repealed with respect to taxable years
19 beginning on or after January 1 of that calendar year.

20 (3) For purposes of this section, the minimum contribution
21 amount for a calendar year means two hundred fifty thousand
22 dollars (\$250,000) for the second calendar year after the first
23 appearance of the Northern California Cancer Research Fund on
24 the personal income tax return or the adjusted minimum
25 contribution amount adjusted pursuant to subdivision (c).

26 (c) For each calendar year, beginning with the third calendar
27 year after the first appearance of the Northern California Cancer
28 Research Fund on the personal income tax return, the Franchise
29 Tax Board shall adjust, on or before September 1 of that calendar
30 year, the minimum contribution amount specified in subdivision
31 (b) as follows:

32 (1) The minimum estimated contribution amount for the calendar
33 year shall be an amount equal to the product of the minimum
34 estimated contribution amount for the calendar year multiplied by
35 the inflation factor adjustment as specified in subparagraph (A) of
36 paragraph (2) of subdivision (h) of Section 17041, rounded off to
37 the nearest dollar.

38 (2) The inflation factor adjustment used for the calendar year
39 shall be based on the figures for the percentage change in the
40 California Consumer Price Index received on or before August 1

1 of the calendar year pursuant to paragraph (1) of subdivision (h)
2 of Section 17041.
3 (d) Notwithstanding the repeal of this article, any contribution
4 amounts designated pursuant to this article prior to its repeal shall
5 continue to be transferred and disbursed in accordance with this
6 article as in effect immediately prior to that repeal.

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